

## **Independent Volunteer Comments on FCC Proposed Steps to assist Katrina Evacuees**

Edmund Resor, New York, New York, Sept. 21, 2005

**Ref:** FCC Takes Steps to Assist in Hurricane Katrina Disaster Relief, Press Release, Sept. 15, 2005  
*Announces Intention to Provide Over \$200 Million in Immediate Relief and to Create New FCC Bureau to Better Address Public Safety and Homeland Security*

### **Background:**

I am a telecommunications entrepreneur and consultant with 30 years of experience working on appropriate technology for international relief and development. From 1980 through 1985 I worked with McKinsey & Co. as a member of the firm's communications practice. My clients included an original Regional Bell Operating Company (RBOC) that sought strategic advice on preparing for the break up of AT&T, particularly the system of carrier access charges proposed by the FCC; and a company that developed the first wide area packet switched network and sought advice on selling packet switching hardware and services to commercial customers.

These comments are the result of 14 days of volunteer work on the problems of Katrina evacuees. They focus on the problems of evacuees and recovery and preparing for future disasters. They are based on discussions with colleagues working with domestic and international relief organizations and university professors familiar with the population of New Orleans. They include ideas from colleagues who work with for-profit equipment manufacturers and service providers, non-profit service providers and research organizations, and state regulators in the telecommunications industry.

### **Introduction:**

I need to begin by acknowledging the immense efforts and immeasurable benefits provided by the communications industry and the FCC to Katrina evacuees and their families. For example, the FCC's "issuance of a public notice that required wireless carriers to report on steps they are taking to protect displaced customers who are unable to pay their bills from having their service cut off" is only two lines on 11 pages of actions taken to date. However, this action and the positive industry response has resulted in immeasurable benefits by enabling evacuees to use their cell phones to begin their recovery without worrying about being disconnected. This example shows how simple actions can produce immense benefits.

Immense **immediate** benefits from telecommunications have already been realized with cell phones. Where evacuees needed funds for cell phones, nearly \$2 billion in cash (\$1.5 billion from FEMA as of Sept.21) has been provided to about 800,000 evacuee households. Mardi Gras societies from some of the hardest hit neighborhoods in New Orleans are already reconnecting by cell phone and overcoming the effects of an evacuation that has scattered their communities across many states.

## **Suggestions:**

### **A. Overall Guidelines: Stimulate Long-term Solutions for These and Future Disasters**

1. Move quickly, but focus on innovative assistance that deals will help with the **long-term recovery problem** facing these communities and the nation. Immediate needs are being met, and are better met, with FEMA and private cash grants.
2. Combine Universal Service Funds administered by USAC with queries, guidance, and regulatory relief from the FCC to stimulate, and then evaluate, innovative solutions.
3. Adhere to the mission of the Universal Service Fund in supporting essential, basic telecommunications needs for subscribers and geographic areas that need special assistance to overcome special problems.
4. Encourage the development of network diversity and end-user competency that will build confidence among those recovering from these disasters and help prepare them and others for future disasters.

### **B. Use Low-Income Funds to Support Wireless Service Plans that Can Provide Essential, Basic Telephone Services**

1. Request the industry to propose pre-paid plans with free incoming calls for a minimum period of six months. Free incoming calls will provide evacuees with a closer approximation of basic telephone service and allow them to give out their cell phone numbers without worrying about the cost of the resulting calls. Thanks to the declining cost of completing wireless voice minutes and the imbalance of incoming and outgoing wireless minutes, free incoming calls have recently been offered by Sprint/Nextel.
2. Authorize the use of these funds by wireless carriers that are not currently registered as Eligible Telecommunications Carriers (ETCs) in the relevant states. ETC registration requirements are likely to delay and complicate this program and restrict both consumer choice and industry competition.
3. Authorize the use of Low-Income Funds for the reimbursement for cell plan conversions for eligible FEMA registered households that have already purchased cell phones and may have large balances already due. This flexibility is necessary so that eligible households will not need to get a new cell phone to benefit from this program. Fund that would have gone to finance a new phone could be used to settle outstanding bills. Otherwise, if the FCC provides an incentive for households to abandon and replace existing cell phones to escape outstanding bills, the inter-personal networks which they have established will be disrupted.
4. Require the USAC to work with FEMA to set up a simple and quick targeting system focusing on areas with low-income subscribers and with the longest estimated delays for repairing housing or wireline telephone service. Since free incoming calls will add to the cost of the service, targeting will be needed to avoid going over the \$51 million planned for this program, especially if large populations suffer long-term displacement from hurricane Rita. If privacy

issues arise over USAC access to FEMA data, good enough targeting could be achieved using zip codes.

5. Require all participating carriers to make the services offered under this program available for direct sale to **all** FEMA registered households so that registered evacuees can buy the services and/or convert their cell plans for the same price as would be reimbursed by the Universal Service Fund for targeted evacuees. This availability will provide for an extremely rapid roll out of these services and enable carriers to compete for these customers in advance of the establishment of the reimbursement system by the Universal Service Administration Corporation (USAC). Even low-income evacuees would find the cash to immediately convert their service plan and settle their outstanding balances. As soon as USAC authorized reimbursement, their cash could be refunded or used to pre-pay additional outgoing minutes.
6. Require the USAC to provide, directly or through subcontract, an authorization system similar to the authorization system used by credit card companies. This system will authorize one cell phone per eligible household and enable wireless carriers to use their nationwide distribution system for supplying cell phones and/or upgrading service. The FCC and USAC will not need to burden relief agencies with the implementation of this program.
7. Reimburse 600 pre-paid minutes for evacuees who obtain serviceable recycled phones or who upgrade existing phones and who pay their outstanding balances and any remaining payments for their cell phone.
8. Promote the use of number portability to help preserve existing communities. The porting of numbers will also help Bell South plan and prioritize the restoration of its local network.

**C. Use Rural Health Care and E-Rate Funds to Develop Diverse Networks and Subscriber Competence**

1. Create, as much as practical, a “level playing field” for access to these funds to support the purchase of services and/or equipment. Health care providers and schools should be able to choose the most cost-effective combinations of services and equipment. License-free and licensed terrestrial and satellite equipment need to be fully exploited and tested in this disaster to help the nation recovery more efficiently and to prepare better for the next disaster.
2. Support as soon as possible Schools and Health Care that have received large populations of evacuees as well as those that are being rebuilt so these centers will be prepared to support future evacuations.
3. IRS registered non-profit, disaster response organizations that use these funds to buy equipment should be encouraged to recover equipment for use in future disasters rather than leaving it in place, if doing so, in their judgment, makes better use of these Universal Service Funds. The FCC could require simple reports, but should not try to review every decision about the final deployment of equipment purchased with support from these funds.

**D. Use High Cost Funds for Network Restoration Support Recovery from These Disasters and Prepare for Future Disasters**

1. Support the implementation of virtual services delivered from secure central offices to facilitate recovery from these and future disasters. Virtual services such as voice mail and call forwarding will accelerate the restoration by enabling subscribers to continue use of their existing PSTN numbers throughout the disaster and recovery period. Adequate capacity in central offices in high risk areas will help prepare for the next disaster and enable households to set up emergency voice mailboxes in advance of future disasters. [High Cost funds have traditionally supported basic telephone service in rural areas. The FCC should work to make them available to support more reliable basic telephone service in urban and suburban areas where providing reliable service is more costly due to natural and/or man-made disasters.]
2. Support any necessary enhancements needed to enable the current and future use of number portability to respond to disasters.

I hope my perspective and some of these suggestions will be useful to the Commission and its staff as it tries to help our country respond to the challenge of Hurricanes Katrina and Rita, and prepare for future natural and man-made disasters. A resume is attached with more detailed background references and contact information. The above comments and my description of these suggestions are my personal work for which I accept full responsibility.

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**Professional Summary**

31 years of experience in management and management consulting in developed and developing countries. Special experience in identifying and evaluating appropriate technologies and business structures for challenging economic, social, and political environments. Hands-on experience with setting up and maintaining a full range traditional and next generation telecommunications technologies in harsh environments, including Intelsat certified Earth Stations, circuit switched, copper cable PSTN networks, microwave and fiber backbones, GSM networks, VoIP gateways, and DAMA satellite systems.

**Selected Accomplishments**

- \* Designed and remotely deployed VSAT internet access in 2 locations in Southern Sudan with VoIP, developed detailed plan for rapid deployment for telecom system in Southern Sudan
- \* Helped establish a private and competitive telecoms sector in Somalia and Somaliland.
  - Designed regional telecommunications system using mobile radios, satellite systems and international telephone services to provide local services.
  - Helped create organization and built a national network in partnership with Somali businessmen.
  - Arranged lease financing secured by international settlements.
  - Managed installation of a group of 10 telephone companies and trained operating staff.
  - Negotiated with international carriers to resume international calls to country code 252.
  - Negotiated settlement rates and opening of traffic routes with various countries.
- \* Designed independent telephone service for the Provisional Government of Eritrea.
  - Advised on negotiations with Government of Ethiopia and Intelsat for use of Intelsat space segment and sharing of 251 country code. Helped obtain proposals from Telecom Italia, A&T and British Telecom. Obtained \$1.2MM interest free loan from AT&T, which was fully repaid on schedule in two years from incoming settlements as proposed. Opened service on time with “flyaway” earth station. Co-managed all project implementation including follow-on contracting and construction of digital Standard A earth station in 7 months.
  - Designed nationwide digital wireless telecommunications network for Government of Eritrea. Determined economically feasible objectives and tariffs. Set-up data collection procedures and Geographic Information System (GIS). Identified and negotiated with source for classified Digital Terrain Elevation Data from U.S. Department of Defense. Reviewed range of wireless technologies available and determined most likely set of complimentary technologies. Initiated process to qualify vendors.
  - Advised Government of Eritrea on introduction of Internet service in country.
    - Evaluated demand given projections for per capita and per area served
    - Recommended network design
    - Recommended business development strategy
- \* Designed wireless and card-based village pay phone service for International Telecommunications Union (ITU) WorldTel Feasibility Study. Determined economic feasibility of using wireless technologies in varied geographic areas. Analyzed economics with cell phone engineer that was basis for WorldTel recommendations. Interviewed international investors to determine key decision factors for investing in telecoms in developing countries.
- \* Helped develop rural telephone service for Grameen Telecom in Bangladesh.
  - Advised on interconnection with BTTB for GrameenPhone and on reselling contract between GrameenPhone (managed by Telenor) and Grameen Telecom. Advised on technology, tariff and commercial contract between Grameen Telecom and village pay phone operators.

**Professional Experience**

2000- **NextGen Strategies** East Haddam, Connecticut, [www.NextGenStrategies.com](http://www.NextGenStrategies.com)  
Present *Senior Consultant and Principal*  
1992- **Somali Telecom Group** Hargeisa, Somaliland, Bosasso, Somalia and New York, New York

Present *Founding Partner and VP of International Operations* [www.SomaliTelecomGroup.com](http://www.SomaliTelecomGroup.com)  
Helped build nationwide rural telephone service in Somalia.

1990-  
Present **Tesfa Africa LLC**, New York, New York  
*Principal*  
Established and managed consulting and investment business to advise organizations on how to develop information technology businesses in developing countries. Volunteer work establishing Internet cafes in Southern Sudan. [www.DiocesefofTorit.org](http://www.DiocesefofTorit.org)

1986-  
1990 **Save the Children Federation** Sudan Field Office, Southern Sudan  
*Director*  
Introduced long-term community-based development in two rural areas (pop. 490,000), leading the transition from longstanding famine relief. Managed staff of 240. Designed programs. Developed relationships with government ministries. Spearheaded fundraising, developing relationships with donors and personally raising funding for \$5MM annual program activity.

1980-  
1985 **McKinsey & Company** New York, New York  
*Engagement Manager*  
Managed teams of consultants and client managers to develop and implement new strategies, systems and organizations to exploit new opportunities and adapt to changing economic and competitive environments, clients included a leading U.S.-based global air freight forwarder facing disruptive competition, a Regional Bell Operating Company preparing for competition after Jan. 1, 1984, a large global, money center, bank aggressively deploying Information and Communications Technology (ICT), and the original developer of the Internet evaluating commercial opportunities

1979 **Cummins Engine Company** Columbus, Indiana and London, United Kingdom  
*Market Researcher*  
Evaluated emerging market for large, articulated, four-wheel-drive tractors in Sub-Saharan Africa to determine economic viability of the technology based on field interviews with early adopters in Nigeria, Sudan, and Kenya.

1976-  
1978 **Lutheran World Relief** Rumbek, Southern Sudan  
*Extension Officer*  
Developed program to overcome economic, cultural and technical barriers to the introduction of new technologies. Introduced ox-draught plowing & transport. Established service to identify, and train entrepreneurs who later became first to succeed with new methods. Designed projects and secured funding for them in forestry and fuel and finished wood products, beekeeping and beeswax for export, and a library of resources for new technologies at Juba University.

1974-  
1975 **Catholic Relief Service** Torit and Pagerau, Southern Sudan  
*Volunteer*  
Assessed food shortages and supervised food distribution. Designed, obtained funding for and managed a project that successfully reintegrated leprosy patients into their traditional village as part of a community development plan.

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## Education

**Yale School of Management** New Haven, Connecticut  
Master's degree in Public and Private Management (MPPM), 1980.  
**Yale University** New Haven, Connecticut  
Bachelor of Arts, Anthropology, 1974.

**Languages** English, French (basic), Arabic (basic) and Dinka (basic).

## Countries

### Worked

Americas: United States, Canada, Brazil, Haiti, Dominican Republic  
Africa: Sudan, Eritrea, Somalia, Kenya, Tanzania, Ethiopia, Cote d'Ivoire, Senegal, Dem. Rep. of the Congo  
Asia: Hong Kong, Korea, Bangladesh  
Europe: Germany

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